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LOCALIZED SOCIAL MEDIA MARKETING OF LUXURY FASHION BRANDS IN CHINA: IMPACT ON CONSUMER PERCEPTIONS

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Objectives

The first objective of this study was to examine the main motivations behind luxury consumption among Chinese consumers and whether these values have been addressed on social media marketing. The second objective was to explore their attitudes towards localized social media marketing of luxury brands. The final objective was to investigate how might localization on social media affect the purchase intention of Chinese luxury consumers.

Summary

The study finds that there are mainly five values driving Chinese consumers to purchase luxury: aestheticism and authenticity, long-term investment, snob and bandwagon effect, cost-effectiveness and self-realization. Yet, not all values are reflected and supported by current social media marketing of luxury brands. The study also shows that consumers in China are generally indifferent to localized marketing messages, which explains the little impact localization on social media has in terms of increasing purchase intention. However, it is suggested that appropriate localization could indeed increase brand awareness and visibility and could improve consumer's perception about the luxury brands.

Conclusions

Although there is insufficient evidence supporting the positive impact localization might have on increasing purchase intention, luxury brands should update their understanding of the Chinese market, develop a sophisticated social media strategy and implement certain localization in order to reach wider audience. Meanwhile, luxury brands should avoid excessive social media presence and superficial localization attempts.

Key words: *Luxury fashion brands, social media, China, consumer's perceptions, purchase intention*

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1. INTRODUCTION

According to a recent report published by Bain & Company (2016), the overall luxury industry experiences a shift in 2016 and has settled into a new normal portrayed by slower growth worldwide. In the increasingly demanding environment, companies no longer expect profitable growth purely by harnessing favorable market conditions. Instead, sophisticated strategies will be needed to adapt to volatile consumer needs and evolving marketing channels, which entails a deeper understanding of present luxury consumers as well as the prevailing digital marketing tools, particularly in these emerging markets which are believed to have positive prospects in the long-term.

1.1 Background and Research Problem

Luxury has traditionally been associated with aristocracy, with these “happy few” being the paramount buyers (Chandon et al., 2016: 299). The unavailability to the masses enables luxury to be the social marker which is often used to distinguish the upper class from ordinary people (Zhang & Kim, 2013). The marketing of luxury brands, hence, has always been emphasizing exclusivity and authenticity. However, the long-established concept of luxury has recently been challenged and redefined as luxury goods entered a new era. The rising mass market, the blurring line between social classes as well as the strengthened availability have led to a significant downward expansion to the “happy many” in current luxury sales (Eckhardt et al., 2015; Chandon et al., 2016: 299). Apart from the extended target market, luxury brands also witnessed the revolution of marketing communications. With the advent of web 2.0, the effectiveness of traditional media has been greatly impaired. In contrast, digital media is gradually becoming a more influential communication channel, with social media being the most representative platform. Although once unwilling to utilize the opportunity with the fear of diluted brand prestige, luxury brands have inevitably incorporated social media into their overall marketing strategies in response to dropping sales and heated competition (Kim & Ko, 2010; Chu et al., 2013).

Traditional luxury markets - Europe, Japan and the United States have shrunk substantially in face of the economic crisis; meanwhile, luxury brands are seeing promising growth in the emerging markets such as China (Li et al., 2012; Tsai et al., 2013; Zhang & Kim, 2013). By 2015, Chinese is reported to account for over a third of all global luxury consumption and will continue to be one of the most vital blocs of consumers for the global luxury industry despite the recent slowdown of economic growth (Bain & Company, 2016; Flora, 2016; Roberts, 2016). The surging middle class, also known as the “new rich” are seen as the backbone of luxury spending in this encouraging market (Tsai et al., 2013). Given China’s embrace of everything digital, the incorporation of social media seems even more imperative for luxury brands in order to reach target audience - the younger population who spends considerable time online and acquires product information mainly from social media (He, 2014).

To tackle this market, one practical issue that brands need to consider is whether to standardize or localize. However, luxury brands usually do not see localization as an option. The potentially loosened control over brand image and sizable input have prevented some brands from localizing. Yet, luxury brands have realized that mere standardization will not work successfully in China given its huge and complex market situations and some have already started to customize their digital marketing strategies, such as Louis Vuitton, Jaeger LeCoultre and Coach (digitaling.com, 2015).

Contrary to the rising popularity in localization practices of luxury brands, there is insufficient studies concerning the topic. Previous literature has focused on western markets, even though there has been growing interests in the Chinese market (Li et al., 2012). Few articles have investigated the localized marketing in the luxury industry, except the one written by Liu et al. (2016) which studies the general localization in China from the perspective of luxury managers. Hence, it would be intriguing to explore the attitudes of Chinese consumers towards localized attempts of foreign luxury brands on social media, or in other words, is localized social media marketing an effective measure in terms of encouraging consumers to make a purchase?

1.2 Research Objectives

To address the aforementioned problem, this thesis will focus only on luxury fashion goods which simplifies the process and allows deeper exploration of the topic and it will concern the following aspects. Firstly, since consumers are involved in an environment where trends are constantly evolving, it is important to re-examine the main motivations driving Chinese consumers to purchase luxury brands and whether these changes have been reflected on social media marketing communications from the perspective of consumers. Secondly, their opinions regarding social media marketing of luxury brands, and more specifically, their attitudes towards localized marketing messages will be investigated. Finally, it is of manager's interest to know how localization on social media might affect the purchase intention of Chinese consumers.

1.3 Research Questions

Based on the objectives, three research questions are identified and listed below.

RQ1: What are the key values driving Chinese consumers to purchase luxury fashion brands and have these values been reflected on social media marketing?

RQ2: What are the attitudes towards localized social media marketing communications of luxury fashion brands among Chinese consumers?

RQ3: How would those attitudes affect their perceptions about the brands and their purchase intention?

In the following discussions, the relevant literature will be first presented, after which the methodology section will explain how the empirical data is collected. The findings and discussion sections provide illustrations of the findings derived from data analysis. The thesis will conclude with managerial implications as well as suggestions for further research.

2. LITERATURE REVIEW

The aim of this literature review is to examine the existing research in terms of social media marketing of luxury brands, and specifically, in the context of the Chinese market, while endeavoring to identify possible gaps within current knowledge. This literature review will first discuss the motivations related to luxury consumption and current understanding of the Chinese market; secondly, the marketing communications of luxury brands and the controversy between localization and standardization will be explored; then it will be followed by the impact social media has on consumer behavior. Lastly the purpose of the paper will be justified through the presentation of a conceptual framework.

2.1 Luxury Consumption

2.1.1 Definition and motives for luxury consumption

Luxury fashion products are “apparel, accessories, handbags, shoes, watches, jewelry and perfume” that are at top level of prestigious brands which could attach conspicuous and social value to the owner, apart from any functional utility (Vigneron & Johnson, 1999; Gao et al., 2009: 515). Given that the perception of luxury largely depends on the context and the person concerned, it has not been easy to define luxury, yet some scholars have been able to identify several features of luxury brands, among which high quality, exclusivity, authenticity as well as premium pricing are the most widely described ones (Vigneron & Johnson, 2004; Taylor et al., 2015).

Luxury, categorized as the highest level of consumption by Adam Smith (1776), usually carries both conspicuous and social value (Zhang & Kim, 2013). Many research has been done to interrogate the motives for luxury consumption and there are mainly three distinct school of thoughts (Tsai et al., 2013; Taylor et al., 2015). Conspicuous consumption theory originated from Thorstein Veblen (1899) is often seen as the oldest and possibly the most popular one. Veblen believes that consumers purchase luxury brands to signal their wealth and elite social status. Bearden and Ezzamel (1982) later

supported this argument by adding that the consumption was more conspicuous in nature if the products were consumed in public. Social comparison theory, as proposed by Wiedmann et al. (2009), explains the motivation from more external perspective. This theory holds that people have the tendency to harmonize with the majority opinion of the social environment they are in, which can also be pertinent to bandwagon effect – the demand for a product increases due to other people are consuming the same item (Tsai et al., 2013). The possession of luxury brands actually functions as a social signifier, showing the ultimate symbolic desire of belonging to an elite social class which Kapferer and Bastien (2009: 314) concluded as “luxury for others” (Zhang & Kim, 2013). The third theory, self-concept theory, on the other hand, emphasizes the individual aspect. Some people might view luxury a form to convey their values and lifestyles and stress more on the hedonism and uniqueness over functionality, which is “luxury for oneself” (Kapferer & Bastien, 2009; Li et al., 2012). Consequently, their desire for acquiring a luxury product might vanish if the identical commodity can be seen everywhere, and this interesting phenomenon is often referred as snob effect, concluded by Leibenstein (1950).

2.1.2 the Chinese market

Previous studies have been focusing mainly on western markets, the countries of origin of most international luxury brands (Tsai et al., 2013). However, recently, there has been a growing interest in the emerging markets due to the promising performances they displayed in face of the global economic downturn. China, as one of the most propitious luxury markets, has become the centrum of many luxury research.

Chinese consumers are believed to demonstrate different features from their foreign peers and the rationale for luxury consumption can be more complicated (Wang et al., 2011; Tsai et al., 2013). For example, China has a younger customer base for luxury products, most of whom are in their mid-twenties and mid-thirties, while the largest luxury consuming segment in western market is those between 40 and 70 years old (Wang et al., 2011; Ngai & Cho, 2012; Ng, 2014). The phenomenal social and

economic changes which have occurred in China during the past few decades have exposed the youngsters to a westernized luxury lifestyle and have helped to develop the values that promote “spend ahead of income”, which markedly differentiates them from the elder generation (Wang et al., 2011: 347; Ngai & Cho, 2012). While their parents may be more sensitive to prices and less brand-oriented, the one-child generation born after the economic reform in China were raised in a more diverse environment and thus, places higher importance on self-indulgence and has stronger tendency to be compulsive in their spending (ibid). This rising middle class, as reported by Cavender and Rein (2009), is also optimistic and willing to spend on the luxury items; they seldom “perceive it as a waste of money or superficial” (Zhan & He, 2012; Zhang & Kim, 2013: 69). Moreover, the fact that they are able to engage with heterogeneous culture adds to the variety of ideology among Chinese youths, making general understanding of common characteristics inadequate for success (Ngai & Cho, 2012). Not only the similar traits among the group should be studied, but also the different viewpoints should be understood.

Another characteristic evident in the Chinese market is the stronger motive for purchasing luxury brands resulted from traditionally intrinsic pursuit of esteem and prestige (Wang et al., 2011; Zhang & Kim, 2013; Ng, 2014). China has a collective culture, with an emphasis on interpersonal relationships as well as hierarchy (Hofstede, 1991; Gao et al., 2009). Chinese luxury consumers therefore tend to focus on external social needs rather than on internal individual needs, with a desire to be seen as one part of the elite social class (Zhou & Belk, 2004; Wang et al., 2011; Zhang & Kim, 2013). Possessing an internationally prestigious luxury brand hence is one of the forms to demonstrate their wealth and higher social position. However, some scholars have recently criticized this general and dated understanding of Chinese consumers and have pointed out the rise of inconspicuous consumption. For example, Eckhardt et al. (2015) stated that although Chinese used to be known for the craving for luxury goods to flaunt their wealth, they are increasingly avoiding overt logos in order not to be seen as ostentatious, especially those with very high income levels. The novel preference

over inconspicuousness can also be seen as a deliberate attempt to shun imitation by lower social groups, which can be argued as the new form of conspicuousness (ibid).

The third unique characteristic of Chinese luxury consumers is the lack of brand knowledge (Zhan & He, 2012). Investigations into the Chinese market have found that brand awareness and brand recall are comparatively low since most Chinese customers can only name one or two luxury brands in any product category, which increases the difficulty for foreign luxury brands to marketing in this market (ibid). Nonetheless, the younger consumers in China have already developed a taste for luxury at an early age and with the help of the Internet, they are more knowledgeable and brand-conscious compared to other generations.

2.2 Luxury brands marketing communications

Kapferer and Bastien (2009: 313) correctly said that a luxury brand is not launched, but rather it is built “progressively by managing the allocation of resources in a very specific way”. For luxury brands, it is then crucial to communicate to consumers about what values and attitudes they really represent. Keller (2009: 141) stated that “marketing communications are the means by which firms attempt to inform, persuade and remind consumers - directly or indirectly - about the product and the brand they sell”. The marketing efforts represent the message that brands want to convey, telling consumers how and why their products are used; more importantly, they make the brands more tangible by building and maintaining emotional associations with the brand (Keller, 2009; Mangham, 2009). There are mainly eight types of communications (See Table 1 on the next page) with different focus and approaches. According to Kotler and Keller (2009), these marketing communications could help create connections and experiences with consumers, hence, contribute to the building of brand equity. For example, advertising endorsers have been widely employed in luxury marketing communications. They are often famous celebrities or experts with high prestige and sufficient knowledge about the field. As Chi et al. (2011) claim, endorsers who match with the brand image could transfer their feelings to consumers toward a

certain product and thus generate favorable impressions in the perception of consumers. However, there is no evidence suggesting that the celebrity endorsement in advertising could significantly increase the purchase intention.

Mass Media Types	Advertising
	Sales promotion
	Events and experiences
	Public relations and publicity
Personal Modes	Direct marketing
	Interactive marketing
	Word-of-mouth marketing
	Personal selling

Table 1 Major Communication Types (adapted from Keller, 2009)

2.2.1 Social media marketing

The crucial role that marketing communications play in the brand building process automatically necessitates the flexibility brands should have in order to survive in the increasingly tough communication environment (Keller, 2009). However, due to technological development, the effectiveness of traditional marketing has been greatly weakened, and social media has been rising as the new marketing tools (Keller, 2009; Akar & Topçu, 2011; Kontu & Vecchi, 2014).

Social media are “the online applications, platforms and media which aim to facilitate interactions, collaborations and the sharing of content” (Kim & Ko, 2010: 166). It offers the latest and most frequently discussed topics and has become the core channel for product search (Jin, 2012; Godey et al., 2016). Different to traditional marketing, social media marketing could facilitate real time, inexpensive and interactive communications not only between brands and consumers, but also between consumers themselves (Miller et al., 2009; Kim & Ko, 2010; Phan et al., 2011; Kontu & Vecchi, 2014). The multidirectional communication encourages consumers to actively participate on social

media rather than just passively consume the content generated by brands (Akar & Topçu, 2011; Jin, 2012).

However, luxury brands were once reluctant to join this digital arena as some argue that the extensive availability of the Internet seems to contradict the exclusivity of luxury products (Chu et al., 2013). Yet recently, specialists have pointed out social media in fact encourages and stimulates the participation of consumers with regard to luxury brands and that current active social media users (people below the age of 35) are said to be the major luxury consumer groups, thus, they should be specifically addressed through social media (ibid).

Social media marketing presents numerous opportunities for both consumers and luxury fashion brands. From the perspective of consumers, social media has enabled them to reach abundant information and resources and acquire any needed knowledge about brands they are interested in. It also reduces the risks and uncertainty related to online shopping since consumers can consult opinions or comments of other consumers through the online interaction (Kontu & Vecchi, 2014). For instance, Phan et al. (2011) and Jin (2012) both mentioned that social media may function as a virtual brand community which is formed by groups of admirers of a brand, offering a public platform where people could express their mutual preferences and sentiments. Meanwhile, social media serves as a cheaper and perhaps more effective alternative for brands to promote themselves online by reaching a wider range of audience (Kontu & Vecchi, 2014; Karamian et al., 2015). Particularly in this era when customers are much more powerful and busy, a convenient and easily available communication channel such as social media would be of great importance (ibid).

While the versatile nature of social media brings significant benefits, it also poses challenges for luxury fashion brands. Phan et al. (2011), for example, have suggested that poor management of the site could do damage to a brand image. They have also noted the “opportunity cost for missing possible brand advances through a real social

network” (ibid: 218). Jin (2012) later added that due to the open and transparent nature of social media, online brand community and anti-brand community co-exist; nonetheless, companies have limited power in controlling user-generated content. In addition, brands may want to avoid overuse of social media. As Phan et al. (2011) claim, when consumers perceive themselves as being used to advertise for the company, brand trust is often negatively affected.

Overall, the gradual shift of marketing communications to social media signals a reshaping of customer relationship (Phan et al., 2011). Luxury fashion brands need to plan carefully in social media marketing to avoid erosion of exclusivity while increasing brand awareness to promote sales.

2.3 Localization versus standardization

2.3.1 Definitions and examples

When entering the international market, one dilemma that any multinational corporation faces is whether to standardize or to localize (Karlíček et al., 2013). According to Cambridge Dictionary, standardization is “the process of making things of the same type have the same basic features”, and in the context of marketing, it implies the adaptation of a single marketing strategy in every country, including the traditional marketing mix, production, management and logistical systems (Whatley, 2012). Localization, on the other hand, refers to “the process of making a product or service more suitable for a particular country, area”. In addition to “simple linguistic and visual adaptation”, typical localization examples also include the customization service, the use of local celebrities as well as local influential fashion bloggers (Liu et al., 2016: 358).

2.3.2 Rationales for localization and standardization

The controversy between standardization and localization has been here for more than three decades and one key question related to the debate is whether a brand means

the same to customers in different markets (Moore et al., 2000; Kanso & Nelson, 2002). Standardization advocates believe that consumers are comparatively homogenized. Levitt (1986: 93) cited the notion of Daniel J. Boorstin about “the Republic of Technology”, arguing that the trend of globalization, together with the technology force, have pushed markets toward global commonality. Companies produce and sell standardized products around the world without variation. He further claimed that differentiation efforts of multinational corporations are the results of their rigid thinking habits; they believe local preferences are fixed, which might not be true.

However, some criticism regarding the postulation of Levitt have been raised. For instance, Hung et al. (2007) argued that the globalization is not fully realized; cultural, historical and geographical differences are still evident in many countries, which makes standardization strategy nearly impossible to succeed in these markets (Whatley, 2012). Proponents of localization approach have identified the barriers which prevent them from absolute standardization, such as cultural differences, government regulations as well as consumer behaviors (ibid). Furthermore, they realize that while globalization progress brings modernity, people are increasingly aware of the importance of maintaining traditional values. For example, evidence has shown that Chinese consumers still advocate both traditional and modern values (Hung et al., 2007; Liu et al., 2016). Thus, it would be more difficult for multinational corporations to apply the standardization strategy without a certain degree of adaption.

2.3.3 Opportunities and challenges

For standardization, Douglas and Craig (1986) have developed a relatively comprehensive understanding. One of the most frequently mentioned benefits is that standardization enables the economies of scale both in production and in marketing. However, nowadays with the rapid development of technology, non-standardized production could also be easily achieved with not so expensive costs, this argument therefore might be more irrelevant today. Standardization is also considered to facilitate the transferring of experience and expertise and make control over

management easier. More importantly, corporations could maintain a consistent brand image throughout the world by standardizing as all of their products and services are identical (ibid).

Nonetheless, the limitations of this uniform marketing policy are also noticeable. Different markets vary in governmental regulations and marketing infrastructure. For example, Facebook and Twitter, two widely utilized social media platforms are not available in China, requiring foreign firms to seek new local marketing channels. Meanwhile, standardization is unable to respond to the diversified needs of consumers from different cultural background and hence the effectiveness is impaired.

Localization, to certain extent, solves some problems of standardization. By addressing the needs of local customers, localization strategy is more specific and effective in the targeted market. However, successful adapted strategy is often implemented on the basis of careful environment scanning and analysis, thus demanding more financial investments (Whatley, 2012). A summary of strengths and limitations of each alternative is shown in Table 2 below.

	Standardization	Localization
<i>Advantages</i>	<ul style="list-style-type: none"> • Economies of scale in production and marketing • Transfer of experience • Uniform image • Easier control and co-ordination 	<ul style="list-style-type: none"> • Meeting local needs • More effective
<i>Disadvantages</i>	<ul style="list-style-type: none"> • Governmental and trade restrictions • The nature of the marketing infrastructure • Different consumer responses • The nature of the competitive structure 	<ul style="list-style-type: none"> • More capital required • Difficulty in managing the consistency

Table 2 Advantages and disadvantages of two approaches

Many of the discussions regarding the two strategies are still very general and not industrially specific. Not so much research has been done to investigate the impact localization has for luxury fashion brands. For them, localization provides both opportunities and challenges. On the one hand, luxury fashion brands need to protect the exclusivity and the consistent brand image; on the other, they have to take cultural and social differences into account in order to successfully promote their brands in the new markets such as China. A thorough understanding is therefore needed in the academic field.

2.4 Social media and consumer behavior

Social media has proved to work very successfully with different Internet users, especially with millennials. According to Deloitte Report cited by Roesler (2015), 47% of their purchase decisions are influenced by social media. Therefore, it is vital for brands to understand the function social media plays as a critical touch point (Lee, 2013).

2.4.1 Engagement with social media

Lavidge and Stiener (1961) divided consumer behavior into three phases: cognitive, affective and behavioral responses. In the cognitive stage, consumers develop awareness and knowledge of the brand; in the second stage, liking and preferences towards brands are created; and in the behavioral phase, consumers make the purchase decision. In 2001, Silverman proposed a more detailed decision making model which comprises five stages: problem recognition, information search, evaluation of alternatives, purchase decision and post purchase behavior. Nowadays, social media has been actively utilized by consumers throughout this decision making process and has dramatically changed the way consumers behave.

For example, social media has become the major channel for product search once consumers have identified their need for a certain product (Lee, 2013; Godey, 2016).

Even if they would purchase the products offline, it is common that they conduct research online beforehand (Jin, 2012). More importantly, social media serves as an “evaluation forum” in which consumers can view the comments from others, and it is suggested that consumers prefer the recommendations from their friends and peers over opinions from professional critics, particularly for hedonic products (ibid: 689). In the purchase stage, social media also has a significant impact. Brands usually have official accounts on different social media platforms, and links to official websites are often found in their posts, which not only enables consumers to purchase online directly through social media, but also increases their confidence in purchasing since the risk of buying a counterfeit product is decreased (Ng, 2014; Godey, 2016). The benefits of social media have also been identified earlier by Akar and Topçu (2011), stating that consumers who consult social media tend to make better purchase decisions than those who do not.

Social media also enhances different types of values for consumers (Ng, 2014). First of all, by providing brand-related information and services, the functional values are strengthened. Secondly, the financial values are increased as luxury brands often emphasize their exclusivity in their brand communication on social media. Hedonic and symbolic values are usually stressed through the interaction with high-class social groups like brand designers and models; celebrities are also commonly found in the advertising messages. Celebrity endorsement is an essential part for brand promotion. By employing well-known celebrities as the brand ambassador, brands could increase their awareness, broaden their fan base and build their brand image by associating the personalities and image of the person involved (Kontu & Vecchi, 2014; Ng, 2014). Lastly, social media reinforces the social values because consumers can not only interact with the brands, but also with other consumers.

2.4.2 Consumer relationship and purchase intention

Kim and Ko (2010) identified five properties of social media marketing: entertainment, customization, interaction, word of mouth and trendiness, based on which later

scholars examined the effectiveness of digital marketing. Among the five properties, entertainment, interaction and trendiness are seen as the most influential factors with entertainment being the most powerful one (Kim & Ko, 2010; Godey, 2016). Many researchers have confirmed the importance of having a sufficient supply of entertaining content on social media. Consumers value more about brands or products that offer emotional benefits and entertaining, interesting and creative messages would stimulate participation and interaction and thus favorably affect consumer perception about brands (Jin, 2012). However, brands should be aware of the consequences of too frequent postings and too many sales promotion. They could negatively influence consumer attitudes as the brand image is diluted (Chu et al., 2013; Ng, 2014).

It is widely agreed that effective social media marketing could lead to the increase in customer relationship and purchase intention (Kim & Ko, 2010; Kim & Ko, 2012; Ng, 2014; Godey, 2016). Customer relationship is often measured by two variables: intimacy and trust, and purchase intention refers to the likelihood of purchase behavior in the future (Kim & Ko, 2010). It was found that entertainment and word of mouth influence intimacy the most, while trust is more affected by entertainment, customization and trendiness (ibid). Kosarizadeh and Hamdi (2015) suggested that social media marketing activities could indirectly affect purchase intention by strengthening value, relationship and brand equity. Similarly, Godey (2016) identified that brand equity works as a mediating factor between social media marketing efforts and consumer responses. He claimed that by successful branding social media management, brand equity would increase and thus lead to better brand loyalty, stronger brand preferences as well as more acceptability of paying a premium price. Though Godey (2016) later said that the effects of social media marketing might depend on the maturity of the market, generally speaking, social media indeed has a positive impact on customer relationship and purchase intention.

2.5 Conceptual framework

This literature review introduces existing research about the motivation for luxury consumption, the Chinese market as well as localized and standardized practices on social media. A lack of understanding of localizing practices in the Chinese luxury markets has also been identified in this review. This thesis, therefore, will aim to explore different localization methods that luxury fashion brands employ on Chinese social media and then study how these might influence the perceptions of Chinese consumers.

The conceptual framework in Figure 1 below demonstrates the key areas on which the thesis will be concentrating. As can be seen from the figure, all three aspects are closely interrelated and influencing one another. The research objective is to study the most highlighted part in the graph. In order to fulfill that, it is important to take all three factors into account. First, the characteristics of Chinese luxury consumption will be studied; second, how well does present social media marketing of luxury brands fit into the Chinese context will be inspected, and third, the effect of localized social media marketing of luxury brands on consumers' attitudes will be examined.



Figure 1 Conceptual Framework

3. METHODOLOGY

The research design will be explained in this methodology section, which comprises of the following parts: firstly, the selection of research methods is clarified; secondly, how the sample has been decided will be discussed and the last part will be about the conducting procedure.

3.1 Research methods

There are mainly two widely used methods in research: quantitative and qualitative (Ghauri et al., 1995). Quantitative method focuses on collecting numerical data through the form of polls, questionnaires or surveys. Qualitative approach, on the other hand, emphasizes “understanding of underlying reasons, opinions and motivations” (Wyse, 2011). The data collection process of qualitative research can be time-consuming and different conclusions could be drawn based on the same information due to varied characteristics and capabilities of researchers, which often results in potential inconsistency and relatively low reliability. Nonetheless, researchers are able to generate a holistic view and go in more depth about the topic under investigation (USCLibraries, 2017).

Since the objective of this paper is to investigate mainly perceptions and attitudes which are difficult to measure quantitatively, a qualitative method is considered to be more suitable. To be more specific, semi-structured interviews have been used in this thesis to collect primary data due to the fact that currently there is insufficient study related to localized social media marketing. Semi-structured interviews contain the features of both structured and unstructured interviews, which allows the researchers to ask open-ended questions and thus gives more flexibility to the discussion and encourages interviewees to more freely share their opinions (Grimsholm & Poblete, 2010).

3.2 Sample selection

As this thesis is intended to explore the perceptions and attitudes of Chinese consumers with regard to social media marketing of luxury fashion brands, the selection of proper interviewees is based on the following criteria to guarantee that the ideas they offer are relevant to the topic and up to date:

- a. Have luxury products purchasing experiences in the past two years
- b. Have sufficient knowledge about major Chinese social media platforms (e.g.: WeChat and Weibo) and follow luxury on social media

Seven people who match the above standards have been identified and contacted through the writer's friend circle and the snowballing technique is also used to have more participants involved. All of them agreed to participate in the interviews. The respondents profile is shown in Table 3 below.

Respondent List	Age	Gender	Province	Profession
Respondent 1	21	Female	Zhejiang, China	Student
Respondent 2	19	Female	Zhejiang, China	Student
Respondent 3	21	Female	Zhejiang, China	Student
Respondent 4	30	Female	Shandong, China	Student
Respondent 5	20	Female	Zhejiang, China	Student
Respondent 6	20	Female	Zhejiang, China	Small business owner
Respondent 7	19	Female	Sichuan, China	Student

Table 3: Respondent profile

3.3 Data collection and analysis

The semi-structured interviews were conducted in the form of voice calls on WeChat because of the following considerations. First of all, the interviewer, at the time when interviews were conducted, was in Finland, while most of the interviewees locate in

different parts of world, making face-to-face interviews unrealistic; secondly, the use of WeChat ensures that the interviewees are familiar with this social media platform, which also qualifies them to be interviewed; thirdly, voice calls, as one of the most used functions of WeChat, is very popular among Chinese people, and the fact that interviewees do not necessarily have to show their faces could, to some extent, make them feel more relaxed and thus, more willing and comfortable to share their opinions.

The respondents were assured before the interviews that their personal information would be completely anonymous and only used for the purpose of this research. The interviews are conducted in Chinese and last from 30 minutes to 60 minutes and each of them is tape recorded under the consent of interviewees.

In the beginning of the interview, easy questions are asked to create a friendly and relaxing environment for informants and to get them familiar with the interviewing process. Then, luxury purchasing experiences questions are asked to develop an understanding of their motivations for luxury consumption. Later, their perceptions about social media marketing of luxury brands are being inquired. Followed by that, two examples of marketing messages of Louis Vuitton (See appendix 8.2) are sent to the respondents to examine their immediate responses of two different posts (one is standardized, another is localized; however, the differences are not revealed to them to avoid leading questions and biases in the research). Finally, their thoughts about localization of luxury brands on social media are being discussed. The tentative interview questions can be seen in the appendix section.

Qualitative content analysis was used to analyze the empirical data (Belk et al., 2013). All seven interviews were first transcribed, resulting in over 37 pages of documents. The collected discussions were then carefully read and coded after identifying the similarities and differences demonstrated in the data. Following that, the data were categorized under different themes, which will be presented in the next section: findings.

4. FINDINGS

The findings highlight different themes being covered in the interviews. Firstly, the key values related to luxury consumption will be shortly presented in order to lay the foundation for understanding how social media marketing influence the perceived value of luxury brands. Secondly, general attitudes towards localized social media marketing messages among the respondents will be discussed. The third and also the last part will concern the role social media plays in luxury purchasing process.

4.1 Social media and perceived value

In the beginning of the interviews, respondents talked about their motivations for purchasing luxury brands, and five themes have been identified: aestheticism and authenticity, long-term investment, snob and bandwagon effect, cost-effectiveness and self-realization. However, not all values are supported by social media and the following three values are the most influenced ones: aestheticism and authenticity, bandwagon and snob effect and self-realization, which will be discussed in this section.

4.1.1 Aestheticism and authenticity

Aesthetic values of luxury brands have been mentioned the most among all respondents. Four of them (R1, R4, R6, R7) associate luxury brands with their classic and authentic design and consider that as an important motivation for purchasing luxury brands. Some also refer to the notion that luxury products are expensive for a reason, as the following statements demonstrate:

For me, it's really about their design. Only from this brand can you see this type of design; it cannot be found elsewhere. Although many brands are imitating the same design, you can tell that they are different, which is why I think luxury brands are so popular. (R6)

Although expensive, some of their designs are just irreplaceable. For example, I found one pair of shoes of this brand so gorgeous, but other brands just cannot have the same thing. So I would rather spend much more money to buy the one that is authentic. (R7)

The aesthetic value has been emphasized by many luxury brands on social media. As confirmed by all respondents, luxury brands regularly post contents related to their classic or newest design and upload photos of celebrities or models wearing their products, which strengthens the favorable perception towards the brands. However, the authenticity of social media marketing needs to be questioned since respondents are concerned with how precisely could the brand spirit be expressed in the Chinese context, as respondent 5 explains:

I don't think their posts on Weibo can well represent who they are and what they want to convey to customers. After all, they are foreign brands and they have to hire local people to manage their Chinese social media sites, which is not very authentic. (R5)

4.1.2 Bandwagon and snob effect

Bandwagon effect refers to the likelihood of conforming to a social form while snob effect describes how the demand will be decreased by the increase consumption of others (Tsai et al., 2013). In the interviews, some of the informants have admitted the existence of bandwagon effect in their purchase decisions, saying that they have or had been influenced by the social groups they are in and have purchased luxury items as a mean to gain approval of others.

Many people buy luxury due to the desire of being able to boast; it is certainly part of the reasons (why I buy luxury brands). [...] If your friends are all using luxury brands and you are wearing cheap stuff, sometimes you just feel you do not belong to the group. (R2)

Social media marketing of luxury brands has undeniably reinforced the bandwagon effect as people might naturally be curious and interested in the products that are being widely advertised and promoted on social media platforms. However, most of the respondents claimed that the bandwagon effect is no longer the main motivation for them to buy luxury thanks to their matured and more rational purchasing behavior. In fact, six out of seven respondents stated that they will not be easily affected by the opinions of others on social media, particularly with regard to luxury consumption. Consequently, the intemperate promotion of luxury products on social media could lead to hostility against the brands, which is manifested in the following statement:

I do not like to follow their official accounts on social media because they post too much promotion-related contents, which is quite annoying. [...] For instance, they will keep posting things like which products have been worn by which celebrities on which events. I do not really care. (R1)

4.1.3 Self-realization

In addition to other-directed values, self-directed values are also an evident motive for luxury consumption. Some respondents have referred to the emotional excitement and sense of achievement that wearing luxury products might evoke when consuming luxury products.

When a girl graduates, manages to find a job and is able to financially support herself, I feel that it is like a must that we buy something we like, and in this case, it is luxury brands; it is a proof of our capabilities, creating a sense of self-actualization. (R4)

I have always been dreaming about having a high-paid job, and wearing the suits of J.W. Anderson to work. [...] wearing them feels like a dream come true. (R1)

Although the communication style of luxury brands is sometimes considered to be rigid according to respondent 6, their marketing messages on social media successfully promotes the high-end brand image through well-designed advertisements, as the quotations below demonstrate:

In my opinion, their posts are not that down-to-earth, but I think that's correct. As luxury brands, they do not have to be that approachable. [...] Luxury brands are supposed to be chased after. (R3)

I look carefully at each post of Chanel. They usually share photos of shows and sometimes short films of its latest advertisement. [...] In addition, they will sometimes share the process of how they create a piece of cloth. Their posts well portray the high quality lifestyle they are trying to deliver. (R4)

As illustrated above, social media could enhance the aesthetic, bandwagon and self-realization values for luxury consumers, while its impact seems to be questionable in terms of boosting the authenticity and snob effect. Besides, given the spontaneous and constantly updating nature of social media, it is quite challenging for luxury brands to deliver the long-term benefits on the digital platform. Cost-effectiveness, which certainly conflicts with the high pricing of luxury brands, thus, is also not covered on social media marketing.

4.2 Attitudes towards localized marketing messages

There are several different ways for localization as discussed in the literature review: language translation, the use of local celebrities and fashion bloggers as well as local culture integration. Among these, the most apparent one might be language adaptation which Chinese consumers usually do not pay much attention to, since it is often expected in China that every brand uses Chinese in their marketing activities. Thus, the remaining three localizing ways are the prominent focus in the following discussion. Reactions to these practices of the informants are described below.

4.2.1 Local celebrities

Some of the respondents have acknowledged the necessity for using celebrities in promoting marketing messages (R1, R2, R4). They agree that it is a good way for brands to increase brand awareness by taking advantage of their huge influence, which is in line with what Chi et al. (2011) have found out:

I would like to see them using celebrities to promote. Firstly, brands would usually choose the most influential and popular stars and those with highly recognizable individuality and personal charisma. They are mutually promoting each other. (R4)

The use of celebrities could indeed affect my perceptions. For example, the advertisement Charlize Theron is starring is so gorgeous. Kate Blanchett for Armani. And Rooney Mara for CK bamboo. I am totally attracted by these good looking people. (R5)

When it comes to local celebrities, however, their opinions begin to vary. Some of the informants state that they do not like seeing posts of local stars. Respondent 1 thinks local stars generally lack class; thus, when they wear these international luxury brands, they are not looking as good as those foreign models. The familiarity with local celebrities is also an issue raised in the discussion. For instance, for the Chinese celebrity appeared in the Louis Vuitton advertisement, both respondent 2 and 3 agree that they are so familiar with the person because he has been participating many reality shows in China, and he, in their opinion, is a very humorous person, which contradicts the distant brand image of Louis Vuitton and makes them feel peculiar when seeing him dressing in high-flying style in the advertisement.

Another dissatisfaction comes from the over-hyped social media promotion of local celebrities. Although employing local popular celebrities in the promotion indeed increases the visibility of luxury brands on social media, excessive presence may result in aesthetic fatigue, as respondent 1 reported:

I feel that every time they (local celebrities) wear some luxury brands, there will be tons of news reporting that on social media, that annoys me a little bit. (R1)

On the contrary, respondent 4 and 6 hold different opinions. They do not have specific preference over Chinese or westerners, but they think that using local celebrities is actually more beneficial as they stated in the following quotations:

It doesn't create differences for me. I would prefer the one who suits the brand better. But on Chinese social media, certainly we will see more local celebrities. Besides, western dressing style may not suitable for girls in China, it is easier to borrow from local celebrities. (R6)

In terms of consequent perceptions about the brand, the respondents say choosing the celebrities they like could indeed enhance their favorability towards the brands. However, inappropriate celebrities such as some local stars will not significantly impact their existing impressions about the brand, which according to R4, is due to the fact that those brands are already well-established and hence, the impressions in consumers' minds cannot be easily changed.

Actually it will not influence my favorability towards the brands, which is also why I don't like their posts since they are all about local celebrities. [...] I am very realistic, I only care about whether the product itself attracts me or not, who is chosen to promote the brand has nothing to do with me. (R1)

4.2.2 Local fashion bloggers

All respondents agree that following local fashion bloggers on social media is the most common way to receive information about luxury brands. Many have mentioned that different from official accounts, fashion bloggers are able to provide more interesting contents with multiple brands, and they also teach how to properly dress up, which

offers more possibility and thus are more versatile than official accounts of luxury brands. Also, fashion bloggers make luxury products closer to people's life. The following few quotations exemplify how consumers view fashion bloggers on social media:

They provide guidance on how to wear these products, while official accounts will not do that. (R6)

They bring luxury brands to the ground. They emphasize more on the practicality of luxury brands and take into account the acceptability of internet users. For example, a fashion blogger that I am following sometimes uploads content containing a mixed theme: such as 'ten bags that I never regret buying in 2016', she teaches people how to go along with different outfits and presenting advantages as well as disadvantages of luxury brands. (R3)

I follow some fashion bloggers to see what's hot nowadays, what is on the trend. And from these street shots, I can also borrow their dressing ideas. For example, if I see a girl who dresses similarly to my style, and the bag fits her, I would add the bag to my wish list and try them on in real store. If it turns out to be nice, I will buy it. (R6)

At the same time, respondents are aware of the possible bias in the content produced by fashion bloggers. Respondent 1 believes that some fashion bloggers are good at utilizing the trendiest topics and create corresponding contents to draw attention. Respondent 5 supports this argument by adding that what they post might not fully represent their own opinions as many fashion bloggers are being sponsored, but it is overall helpful to look at their postings, particularly the comments, so that consumers have the chance to see how everyone else feels about these series of products, for example.

The respondents see fashion bloggers as unofficial promotion channels of luxury brands, but when seeing luxury brands officially cooperating with them, people's responses are mainly negative. For example, Louis Vuitton announced on their official account on Weibo that Gogoboi, a fashion blogger with over 7 million followers, would post contents for the official account during their show in 2015. Most respondents expressed that it is understandable as this blogger is quite influential. The reason why he has so many followers is perhaps that he is also very experienced in this field. However, just as respondent 3 said, "It is eroding their high-end brand image in my opinion and it feels peculiar to me."

However, similar to the use of local celebrities, cooperating with local fashion bloggers did not seem to impact their original perceptions towards luxury brands and their purchase intention.

Although they use local bloggers (which is low-end), my perceptions about the brands won't be affected. After all, these brands are already so well-established, it is really hard to shake the foundation. (R3)

4.2.3 Local culture integration

When it comes to the adoption of local culture in social media marketing, most respondents started to hesitate in giving specific answers. In their opinion, these localized efforts are somewhat embarrassing. According to respondent 6, there is a deviation of understanding of Chinese culture. For instance, it is very common that luxury brands use the color of red in their promotion, but consumers consider Chinese culture to be something more than just the red color, and hence, perceive some of these localized efforts as rather deliberate attempts to cater to the Chinese market, as quoted below:

It seems that they are trying hard to make money from Chinese. (R3)

They seem to have a misunderstanding or deviated understanding of the Chinese culture. It feels awkward sometimes seeing their so-called Chinese style design. They did not incorporate Chinese culture well into their designs or promotions. (R6)

A well-praised localization example of JagerCoultre, a Swedish luxury watch brand, is shown to the respondents to explore further about their opinions. One of its WeChat articles utilizes the story of a Chinese contemporary scholar to promote their latest products. All the respondents have not heard of the brand before the interview. Thus, they were asked to share their first impressions after reading the post. Respondent 1 reported that she felt the brand has a sense of humanism due to the use of the Chinese scholar, Hu Shi. However, respondent 4 thinks that although the story is good, Hu Shi seems a bit far away from the modern life, which makes it difficult to resonate with the brand.

For the other culturally localizing efforts, such as the special promotions on WeChat during Chinese festivals, many respondents do not really like them, as can be seen from the statement below:

It might be more effective for these elders. They are fascinated by the numerous functions of WeChat, and those 'red pocket' activities can raise their interest and stimulate participation. But for us young people, we might be rather indifferent to these messages. (R2)

Again, the cultural integration does not seem to help increase their purchase intention, yet it might convince those consumers who purchase luxury for gifting.

It is none of my business. If the product is something I am interested and want to buy, I will buy it even without promotion activities; if it is something simply I do not like, no matter what actions brands take, I will not look at it. (R1)

Anyway I won't purchase, even if I can afford that. I don't like these products specifically designed for holidays. However, I might purchase them for gifting as they usually represent nice wishes. (R4)

4.3 The need for localization

When asked about their attitudes towards the need for localization, there are different viewpoints among the respondents. For instance, both respondent 4 and 6 argue that luxury brands should not localize, claiming that many Chinese consumers purchase luxury items only because of the brand effect, hence, whether it is a foreign model or local celebrity has little impact here. In addition, the targeted audience on social media are mainly those millennials who are open-minded and quite familiar with foreign culture. Their acceptability to new things, coupled with the enlarged popularity and knowledge of English have enabled them to better understand the international messages of luxury brands. Therefore, they think luxury brands may want to emphasize what millennials are seeking on social media which is being seen as one part of the global market.

However, there are other opposing views raised by respondent 3 and respondent 5, addressing the need for localization. It has been proposed that localization could convey the message to Chinese consumers that they are being valued as an important consumer segment. Moreover, facing the increasing competition from growing domestic luxury brands, foreign companies, as respondent 5 below suggested, need to refresh their mindset to regain their popularity to compete with them:

[...] However, I think the impact of foreign luxury brands will be decreasing, as many start to focus on local brands developed by some local independent designers. They are starting to grow and mature and might become future luxury brands. I do not think brands like Louis Vuitton, Gucci, Dior or Armani will continue to impact as greatly as they do now. Consumers will not blindly choose these brands with superficial logos. So if they (foreign luxury brands) cannot innovate

and change the way they promote themselves, no matter what advertisements they make, I think they will be less capable of attracting Chinese consumers, since consumers are becoming more knowledgeable and inner-directed. (R5)

4.4 The role of social media in luxury purchase

All respondents agree that social media serves as a platform where they can collect information about different brands. They also use it as an evaluation forum to measure each alternative and make careful decisions accordingly. However, it is also agreed among the respondents that their purchasing decisions are not likely to be impacted by social media, which are shown in the quotations below:

I will make decisions according to my own opinion. I won't buy something simply because everyone is using it or everyone says it is good. I am not a person who follows the crowd. I have my own criteria. Social media won't affect me to a large extent. However, if they could express opinions in an objective way, I may listen to them. (R5)

I will not ask friends for advice as I follow my personal intuitions. (R7)

I won't search reviews from others on social media as I think it's a personal thing. As long as it is what I like, I would want to buy it even if others dislike. (R2)

Luxury products are different from other ordinary daily products. For example, if it's a cosmetics product, I will ask around: how is it working? But if it belongs to jewelry, accessories or clothing, I will buy immediately if I like the style. (R4)

I will buy it only if I like the style. If many people have a bag from Gucci, and I found out that it just doesn't fit me, I won't buy it. (R6)

Generally speaking, it can be seen from the discussion that these young Chinese consumers are more assertive and knowledgeable about brands and that they will not rely too much on promotional activities on social media to make rush purchasing decisions. Moreover, they are aware of the potential bias the information on social media might have, which decreases their likelihood to purely trust one voice.

5. DISCUSSION

The discussion section will be structured according to the conceptual framework and thus be divided into three parts: the Chinese market, the social media marketing effects and localization attempts in order to have a whole of the context.

5.1 The evolving Chinese market

While earlier literature has focused on exploring the motivations for luxury consumption from the macro level, this thesis studies from the individual perspective and identifies five specific yet not mutually exclusive aspects which Chinese consumers value when purchasing luxury products: aestheticism and authenticity, long-term investment, snob and bandwagon effect, cost-effectiveness and self-realization, which illustrates a gradual and clear shift in young Chinese consumer's purchase decisions.

Prior research has suggested that consumers in collectivistic cultures perceive luxury differently compared to those in individualistic cultures (Dubois et al., 2005; Shukla & Purani, 2012). China, often referred as a representative of collectivistic culture, is thus, believed to demonstrate some typical characteristics in luxury consumption. For example, Chinese consumers are said to focus more on their social images and want to be included in a certain social group through possessing luxury items, which are driven by other-directed values (Wang et al., 2011; Shukla & Purani, 2012). However, the respondents in the interviews have presented more individualistic purchasing habits of luxury brands.

These promising young customers are not motivated to purchase luxury products solely due to the social values attached to them. They are inner-directed, meaning that they are not likely to be affected by opinions of others and will only purchase the products if they themselves like them. Moreover, the findings addressed parallels to prior studies conducted by Eckhardt et al. (2015), proving the existence and rise of inconspicuous consumption, particularly among the youngsters.

5.2 Social media marketing effects

Despite the shift in consumer's motivations for luxury consumption, current luxury brands are not able to keep up with the change and reflect these values well on social media. Godey et al. (2016) have proposed that brands should produce contents that are entertaining, up to date and likely to stimulate engagement and interaction. However, based on the findings, it is clear that most luxury brands fail to address these needs and their seemingly excessive promotion on social media has led to loss of interest from consumers since the contents are perceived as boring and rigid, which necessitates the need for luxury brands to renew their social media marketing strategies to better respond to evolving consumer needs.

Kim and Ko (2010) have implied in their research that social media marketing management is closely linked to customer relationship as well as purchase intention and there is a positive correlation between customer relationship and purchase intention, as discussed in the literature review. The ineffective social media marketing of luxury brands has adversely influenced the customer relationship due to the lack of meaningful interactions. The unaddressed customer relationship, therefore, has also been reflected in the little impact present social media marketing has on enhancing the purchase intention.

5.3 Localization attempts on social media

Although respondents in the interview do not necessarily say the word 'localized', they are quite aware of and used to seeing these localized marketing messages. After all, the simple linguistic adaptation is already a form of localization. The use of local celebrities is the most recognized effort on social media, since in China, celebrities and stars are of high position and people tend to follow their latest fashion and dress similarly. Similar to what Ng (2014) has found out, the use of celebrities indeed enhances brand awareness and could attract the attention from their fans. However, it has been found through this research that the perception towards brands depends on whether the celebrities match the brand image. Besides, there is insufficient evidence

supporting that the use of local celebrities would significantly increase the purchase intention, which shows parallel to what Chi et al. has discovered (2011).

Local fashion bloggers, similar to celebrities, are those who to follow on social media, particularly for those luxury consumers. They are believed to provide more diverse and relevant content for them. Although the reactions from respondents in the interview suggested analogous point with Ng (2014) that cooperating with fashion bloggers could increase brand awareness, respondents seem to dislike the cooperation and consider that as potential erosion of brand equity.

Furthermore, in Liu's research (2016), luxury managers have recognized the danger of over-localization, arguing that brands should be careful managing its marketing communications and avoid sacrificing brand equity. The finding of this thesis adds a slightly different viewpoint, which is the danger of superficial localization. As many informants pointed out during the interviews, they feel rather embarrassed when seeing inappropriate localization, specifically when it is related to local culture integration. It is generally agreed among the interviewees that if brands do not have a proper understanding of local culture and rigidly apply local elements to the products or to promotional marketing messages, consumers could easily detect that pretentiousness, and consequently, would be less willing to purchase the brands, which also confirms that Chinese consumers are increasingly endorse their traditional values and place higher caution in receiving culture-related information on social media (Liu et al., 2016).

6. CONCLUSION

This chapter provides conclusion of the whole thesis. Main findings derived the previous discussion will be presented, and then managerial implication in International Business will be discussed, and finally concluded by limitations and suggestions for future research.

6.1 Main Findings

The first objective of this thesis was to explore the main rationales behind luxury consumption in China and whether these values have been reflected on social media marketing. The findings suggest that there are mainly five themes which consumers think are important considerations when making purchase decisions: aestheticism and authenticity, long-term investment, snob and bandwagon effect, cost-effectiveness and self-realization. Also, there is a shift in attitudes of Chinese young consumers. Exposed in an internationalized environment where foreign culture gradually influences the lifestyle and mindset, young Chinese consumers are more self-oriented. They will not be easily influenced by the consensus. They are able to make their own judgments based on their own beliefs. Besides, the rise of inconspicuous consumption has also been confirmed since these young consumers appear to prefer those products without overt and ostentatious logos. In terms of social media marketing, however, it has been found that most luxury brands are not stressing all these important values on social media.

The second objective was related to examining their attitudes towards localized social media marketing efforts. Although consumer's opinion regarding whether luxury brands should localize or not vary, it is generally agreed that localizing social media marketing attempts could indeed increase brand awareness and visibility, which demonstrates similar findings to preceding discussions (Liu et al., 2016). However, consumers are quite reluctant to rigid and superficial localization on social media, which negatively impacted their impression about the brands.

The last research objective was to determine the relationship between attitudes towards localization on social media and purchase intention. The findings align with previous conclusions made by Kim and Ko (2010) that social media certainly plays an important role in providing customers with relevant information and it serves as an important evaluation tool. However, the attitudes towards localized messages on social media are not very likely to considerably affect the purchase intention for the following reasons. First of all, consumers are conscious of the numerous biased opinions on social media, forcing them to be more careful when evaluating each piece of information. Secondly, consumers are more inner-directed that they will not be easily affected by other's attitudes, particularly in making luxury purchasing decisions.

6.2 Implications for International Business

The findings of this thesis provide some important implications for luxury managers in China. First of all, there is an urgent need of updating their understanding of current Chinese market and close attention should be paid to these young millennials in particular. Given the rise of inconspicuous consumption among the youngsters, luxury brands should avoid excessive social media presence; meanwhile, they should focus on emphasizing the uniqueness of products to address the need for self-expression.

Secondly, luxury brands need to develop a more sophisticated social media strategy which centrals on user experiences. More interesting and entertaining contents should be posted in order to involve and engage consumers in the communication and promotion process. Word of mouth on social media could also be utilized to achieve higher brand awareness.

For foreign luxury brands, the existing cultural differences sometimes make it difficult or even impossible to convey the exact brand image and brand spirit. In addition to simple linguistic translation, it is more vital for luxury brands to implement certain localization to approach domestic consumers. However, the foreseeable risks attached to localization practices, such as the loss of mysteriousness and eroded brand equity,

require luxury brands to consider the appropriateness of integrating local culture. Thorough understanding of domestic market as well as subtlety in implementation are definitely needed in localization, particularly in the Chinese context where people still endorse traditional values.

6.3 Limitations and future research

There are some limitations existing in this research. Firstly, the limited sample size makes it difficult to draw statistically meaningful conclusions and generalize the findings. Only female luxury consumers who are active on social media are examined, ignoring the potential gender differences in luxury consumption behaviors.

Secondly, the respondents are mostly from second-tier cities where luxury consumption might demonstrate different traits compared to first-tier or third-tier cities. Moreover, the fact that the chosen localization examples contain mainly male characters might lead to biased opinions among all female respondents.

Future research could therefore focus on developing more proper instruments to explore localized social media marketing efforts and the impact they have on consumer luxury purchase behavior. For instance, quantitative surveys and questionnaires could be designed to gain a more comprehensive understanding. Besides, the differences between first-, second-tier cities regarding localized social media marketing could be examined. In addition, it might be interesting to explore other emerging markets like India and examine whether there are differences in terms of perceptions related to localized social media marketing.

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8. APPENDICES

8.1 Tentative interview questions

Luxury consumption questions

1. What luxury fashion brands have you purchased?
2. What is your general impression about these brands? Why?
3. What features of luxury brands do you value the most? Why?
4. Through which channel(s) do you usually get the information about luxury products?
Why do you use that/these channels?
5. What social media are you using? Which one do you use the most often? Why do you prefer that?

Luxury brands on social media

1. How often do you see luxury-related content on social media? What are the channels where you see that?
2. Do you follow any official luxury brand accounts on social media? Why or why not?
3. How do you like the content they produced on social media? Why?
4. Do you think the content matches their brand image? Why?
5. Do you perceive these brands differently based on their postings on social media/
Why do you think that? How does that match in your opinion?
6. When making purchase decisions, which channels do you prefer for acquiring needed information? What kind of information are you searching for to support your purchase decision?

Localization-specific questions

1. What do you think about these localized marketing efforts?
2. What is your impression about the chosen celebrities or fashion bloggers? Do you think their image match the brand image? Why?

3. How might that affect your perception about the brands? More favorable or less favorable? Why so?

8.2 Two Louis Vuitton ads shown in the interview

路易威登再次携手 Xavier Dolan 合作拍摄2016秋冬男士系列广告大片。Xavier Dolan 举手投足散发自信和绅士魅力，完美演绎路易威登男士所要展现的优雅气质。



全新亮相的 Monogram Eclipse 男士系列如黑曜石般闪耀低调暗雅光辉，用不同层次的深灰色与黑色，营造出极具时代代入感与至酷现代感。



Figure 2 International model



Figure 3 Local celebrities

8.3 Local culture integration example



远渡重洋的海轮一路向东前进，在海风中瑟瑟飘摇着，像极了1917年的中国。

结束了7年的留洋学习，胡适还是选择了回国执教。时年26岁的胡适，身着笔挺的西装三件套，踌躇满志，风度翩翩。自纽约起航驶向上海，长达31天的漫漫归途，骄阳的炙烤或是夏夜的凉意，对这位青年学者来说，一切置之度外。他真正感兴趣的只有两件事：前方的挑战和未来的希望。



Figure 4 Local scholar used in the promotion

